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IRS TESTS SECURE E-MAIL SYSTEM FOR TAX ACCOUNT MATTERS

WASHINGTON -- The Internal Revenue Service plans to start testing a system for handling taxpayer account questions through a secure Internet Web system. The test, which starts Wednesday, is the outcome of a proposal made by the National Association of Enrolled Agents (NAEA) and will involve tax preparers acting for their clients.

"We are excited about using the Internet to improve our customer service while providing the security and privacy protections which the law demands for tax matters," said Bob Barr, IRS Assistant Commissioner for Electronic Tax Administration. "This is an important step toward our goal of providing electronic access to account information for taxpayers as well as tax professionals."

The system will rely on secure communications technology known as Public Key Infrastructure (PKI). The IRS will give participants a password that enables them to obtain a PKI certificate from the system contractor, VeriSign, Inc., of Mountain View, Calif. The participant will use this digital certificate to access a secure IRS Web site and leave an encrypted message about the client's account. The IRS will assign the message to a Customer Service Representative, who will work the case and reply to the preparer using encrypted e-mail. The IRS will ensure privacy by using encryption software components from RSA Security, Inc., of San Mateo, Calif., which provide messaging security using the S/MIME protocol.

For the test, the IRS will select 100 NAEA members from a list of volunteers the association submitted. Test participants must be established electronic return filers with a record of high quality performance and the required system components. A participant must have a power of attorney from the client and must obtain the client's approval in order to use the system.

Test participants may request help on notices, account issues, or transcripts for either individual or business taxpayers. They may also use the system to set up installment agreements for individuals.

The IRS plans to run the test with the participating preparers for the remainder of Fiscal Year 2000.

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